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Financing of the United Nations Mission of Support in East Timor

Final performance report of the United Nations Mission of Support in East Timor

Report of the Secretary-General

Summary

The present report contains the final performance report of the United Nations Mission of Support in East Timor (UNMISET) and includes information on the assets, outstanding liabilities and fund balance as at 30 June 2007 in respect of the United Nations Transitional Administration in East Timor (UNTAET) and UNMISET, summarized as follows:

(Thousands of United States dollars)

Description	*Amount*
Cash assets	15 800.0
Less: liabilities	35 208.0
Cash shortfall	**(19 408.0)**
Uncollected assessments and other receivables[a]	25 385.0
Fund balance	**5 977.0**

[a] Inclusive of $24,985,000 in assessed contributions receivable from Member States

The report also provides information on the UNTAET and UNMISET income and expenditure as well as budgeted voluntary contributions in kind.

The actions to be taken by the General Assembly are set out in section III of the present report.

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I. Introduction

1. The Security Council, by its resolution 1272 (1999) established the United Nations Transitional Administration in East Timor (UNTAET) for an initial period until 31 January 2001. The mandate of UNTAET was extended by subsequent Council resolutions, the last of which was resolution 1392 (2002) of 31 January 2002, which extended the mandate of the Transitional Administration until 20 May 2002.

2. By its resolution 1410 (2002), the Security Council established the United Nations Mission of Support in East Timor (UNMISET) as of 20 May 2002 for an initial period of 12 months. The mandate of UNMISET was extended by the Council in its subsequent resolutions, the last of which was resolution 1573 (2004), by which the Council extended the mandate for a final period of six months until 20 May 2005.

3. In accordance with Security Council resolution 1573 (2004), the mandate of UNMISET expired on 20 May 2005.

4. The General Assembly, by its resolution 56/296, decided to continue to use the Special Account established for UNTAET under the terms of its resolution 54/246 A for UNMISET, beginning on 1 July 2002. In this connection, combined financial accounts have been maintained for UNTAET and UNMISET.

Administrative liquidation

5. UNMISET liquidation activities commenced during the period from 21 May to 30 June 2005. The administrative closure of the Mission was completed during the period from 1 July to 31 October 2005.

Disposition of assets

6. Information on the final disposition of the assets of UNMISET was contained in the report of the Secretary-General (A/60/703). The General Assembly took note of the report in its resolution 60/271.

II. Financial performance

7. As shown in table 1 below, income to UNTAET and UNMISET totalled $2,034,505,000, derived from assessed contributions ($1,999,127,000) and budgeted voluntary contributions in kind ($300,000) as well as interest ($25,618,000) and other income ($9,460,000). The total amount of assessed contributions was fully appropriated by the General Assembly for the operation and maintenance of UNTAET and UNMISET.

8. Expenditure for the period from 25 October 1999 to 30 June 2007 amounted to $1,884,879,000, inclusive of prior-period ($300,000) and other ($23,000) adjustments, and was partially offset by the amount of $81,777,000 in savings on, or cancellation of prior-period obligations, resulting in net expenditure of $1,803,102,000. The unencumbered balance realized by UNTAET and UNMISET amounted to $231,403,000, while credits returned to Member States amounted to $225,426,000. As at 30 June 2007, the fund balance amounted to $5,977,000.

Table 1
Income, expenditure and fund balance for the period from inception (25 October 1999) to 30 June 2007
(Thousands of United States dollars)

Description	*Amount*
Income	
Assessed contributions	1 999 127.0
Voluntary contributions in kind (budgeted)	300.0
Interest income	25 618.0
Other income	9 460.0
Total income	**2 034 505.0**
Expenditure	
Expenditure[a]	1 884 879.0
Savings on, or cancellation of prior-period obligations	(81 777.0)
Net expenditure	**1 803 102.0**
Unencumbered balance	231 403.0
Credits returned to Member States	(225 426.0)
Fund balance	**5 977.0**

[a] Inclusive of $300,000 in budgeted voluntary contributions in kind and prior-period/other adjustments in the amount of $323,000.

9. Information on the UNTAET and UNMISET cash assets, liabilities and fund balance as at 30 June 2007 is shown in table 2 below.

Table 2
Cash assets, liabilities and fund balance as at 30 June 2007
(Thousands of United States dollars)

Description	*Amount*
Cash assets	15 800.0
Less: liabilities	35 208.0
Cash shortfall	**(19 408.0)**
Uncollected assessments and other receivables[a]	25 385.0
Net assets	**5 977.0**
Fund balance	**5 977.0**

[a] Inclusive of $24,985,000 in assessed contributions receivable from Member States.

10. In paragraphs 9 and 11 of its resolution 61/282 on the financing of UNMISET, the General Assembly decided that Member States that have fulfilled their financial obligations to the Mission shall be credited with their respective share of the unencumbered balance and other income in the amount of $31,835,900 in respect of the financial period ended 30 June 2006, and that for Member States that have not fulfilled their financial obligations to the Mission, their respective share of the unencumbered balance and other income shall be set off against their outstanding obligations.

11. In paragraph 12 of the same resolution, the General Assembly also decided that the increase in the estimated staff assessment income of $4,800 in respect of the financial period ended 30 June 2006 shall be added to the credits from the amount of $31,835,900 referred to in paragraphs 9 and 11 of the resolution. In paragraph 10 of the resolution, the Assembly encouraged Member States that are owed credits referred to in paragraph 9 of the resolution to apply those credits to any accounts where the Member State concerned has outstanding assessed contributions.

12. As at 30 June 2007, the total liabilities of UNTAET and UNMISET amounted to $35,208,000, inclusive of the amount of $31,584,000 payable to Member States and $3,624,000 in other liabilities, while available cash amounted to $15,800,000, resulting in a cash shortfall of $19,408,000 (see table 2). The cash shortfall in the Special Account of UNTAET and UNMISET as at 30 June 2007 was primarily attributable to the uncollected assessed contributions due from Member States in the amount of $24,985,000. As a result of the delays in the receipt of the outstanding assessed contributions, available cash would be insufficient to implement decisions taken by the General Assembly in paragraphs 9 through 12 of its resolution 61/282.

III. Actions to be taken by the General Assembly

13. **The actions to be taken by the General Assembly in connection with the financing of the United Nations Mission of Support in East Timor are:**

(a) **To suspend, with effect from 29 June 2007, the provisions of paragraphs 9 through 12 of its resolution 61/282 regarding the disposition of credits due to Member States from the total amount of $31,835,900 of unencumbered balance and other income for the period ended 30 June 2006, until outstanding assessed contributions are received;**

(b) **To retain in the Special Account for UNMISET the cash assets of the Mission as at 30 June 2007 in the amount of $15,800,000.**